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U.S. Agricultural Marketing Service

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DEALER SERVICE IN THE FRESH FRUIT AND VEGETABLE INDUSTRY

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By J. W. Park, Agricultural Economist

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PURPOSE AND SCOPE OF THE SURVEY

There is at present widespread interest as to methods of stimulating consumption of fresh fruits and vegetables. The improvement of retail merchandising methods through dealer service is advocated by many distributors and growers as a means of increasing sales and helping to solve the problem of surplus supplies.

The purpose of this survey was to ascertain the present status of dealer service in the fresh fruit and vegetable industry, its history, methods, sponsors, effectiveness, and related information. The scope of the survey does not include a study or analysis of advertising.

Grower-shipper organizations, State agencies, advertising companies, jobbers, and food chains supplied information on their dealer-service work, which was used in the survey.

## WHAT IS DEALER SERVICE?

The term "dealer service" as used in the fresh fruit and vegetable industry generally refers to merchandising assistance given free of charge to purchasers, by carlot shippers, jobbers, and others. The object is to stimulate movement through the retail outlets. Retailers are the principal recipients of the service which, according to the general meaning of the term, is performed at the point of retail sale by representatives of the seller. Briefly stated it usually consists in assistance and advice to retailers in arranging attractive displays of produce, in supplying and arranging advertising material in the stores, and in educating and advising the retailer in regard to merchandising, reduction of spoilage, and related matters.

Grower-shipper organizations and jobbers are the principal classes giving dealer service. State agencies, representing the interests of the growers, furnish dealer service in some instances. Many chain store organizations, as part of their regular operation, provide a similar service at their stores. Restaurants and hotels and others who buy in large quantities, as well as the chain store organizations, are often given assistance by wholesale sellers which may be considered a form of dealer service.

Large selling organizations in some instances offer a merchandising service to jobbers who handle their products. Information and advice is furnished on methods of handling and selling. This service to jobbers is sometimes referred to as "jobber service", but some organizations include service both to jobbers and retailers in their dealer service.

When dealer service is sponsored by those producing or handling specific commodities or commodities packed under specific brands, the service will naturally be shaped primarily to increase sales of the products in which the sponsors are interested. Dealer service sponsored by city jobbers or wholesalers (using these terms interchangeably) who handle a full line of fruits and vegetables from many growers and shippers usually has as its object the promotion of sales of all products handled by the jobbers.

There is some difference of opinion among members of the fruit and vegetable industry as to the exact distinction between dealer service and other types of sales-promotion work. Advertising in newspapers or magazines or by radio is not generally considered as dealer service. Advertising at the point of sale by means of posters, display material, recipe pamphlets, or demonstration as to uses of a product is usually considered a form of dealer service.

The work of planning, preparing, and distributing point-of-sale display material is logically a part of dealer service. Fundamental research, however, in regard to food values, uses, standardization, handling, and spoilage prevention, is not generally a part of dealer service.

Although dealer service is generally considered a service rendered by seller's representatives at point of sale, some grower organizations and jobbers augment this service with direct mail to retailers in an effort to keep them informed and to educate them regarding merchandising products which are in season. Circulars issued periodically and mailed to the retailers also serve this purpose. Advertising in local papers is considered by some as part of their dealer service.



Dealer service includes such activities at point of retail sale by the seller's representatives as:

1. Advising and assisting in arranging and locating attractive displays of fruits and vegetables.
2. Supplying and arranging posters and other advertising material in the retail stores.
3. Educating and assisting the retailer in regard to methods of reducing waste and of keeping products fresh and attractive in appearance.
4. Educating retailers in regard to varieties, grades, sizes, and other characteristics of fruits and vegetables. This and other phases of dealer service may entail use of motion pictures, particularly at evening meetings, usually arranged through local jobbers.
5. Giving advice as to pricing so as to keep retail prices in line with wholesale prices; educating the retailer in the use of attractive price tags and emphasizing good quality as well as reasonable price.
6. Demonstrating that fruit and vegetable selling can be made a profitable enterprise.
7. In the case of dealer service by jobbers, demonstrating that a full line of fruits and vegetables well displayed and properly priced will help to attract and hold customers.
8. Introducing, explaining, and furnishing regularly periodical publications containing merchandising suggestions and other material useful to the retailer. This also relates principally to dealer service by jobbers.

#### FIELD FOR DEALER SERVICE

##### Surplus Problem in Fruits and Vegetables

Estimates of United States production for 1934-38 compared with that of the preceding 5-year period indicated the following increases: fruits, 13 percent; truck crops for market as fresh produce, 10 percent; potatoes, 7 percent; sweet-potatoes, 8 percent, with an average of 10 percent for all of these items (table 1). Truck crops for processing increased 31 percent during the period. During the period 1931-36 the domestic population of the United States increased only about 4 percent. This indicates that since 1929 production of fruits and vegetables has increased faster than the population.

The Fruit Outlook Report for 1940 issued by the United States Department of Agriculture states: "From present indications it appears that during the next 5 seasons a larger per capita supply of fruit may be expected but an increasing proportion of this supply will be comprised of citrus fruits." Farm prices of fruits for 1934-39 ranged from 51 to 74 percent of the 1924-29 average.

The production of 17 truck crops for market has shown an increasing trend since 1929. The farm price of these truck crops for market during the period 1934-39 ranged from 66 to 76 percent of the 1924-29 average.

These figures indicate the existence of the surplus problem in the fruit and vegetable industry and partially explain the present interest in ways of finding a solution. The surplus problem has been attacked from different angles by various Government programs.

Table 1.- Production of fruit and vegetable crops in the United States 1929-33 and 1934-38 averages

Item	1929-33 average	1934-38 average	Increase from 1929-33 to 1934-38
	Tons	Tons	Percent
13 fruits <u>/1</u> .....	11,755,000	13,338,000	13
21 truck crops, for market <u>/2</u> .....	5,556,000	6,126,000	10
Potatoes.....	10,654,000	11,356,000	7
Sweetpotatoes.....	1,914,000	2,070,000	8
Total.....	29,879,000	32,890,000	10
11 crops for processing <u>/3</u> .....	2,563,000	3,358,000	31

/1 Fruits included are apples, oranges, grapefruit, lemons, grapes, peaches, plums and prunes, pears, apricots, strawberries, cherries, cranberries, and olives.

/2 Truck crops included are artichokes, asparagus, lima beans, snap beans, beets, cabbage, cantaloups, carrots, cauliflower, celery, sweet corn (H. J.), cucumbers, eggplant, kale, lettuce, onions, peas, peppers, spinach, tomatoes, and watermelons.

/3 Crops for processing included are asparagus (Calif.), lima beans, snap beans, beets, cabbage for kraut, sweet corn, cucumbers for pickles, green peas, pimientos, spinach, and tomatoes.

Source: Reports of the Agricultural Marketing Service and Bureau of Agricultural Economics, United States Department of Agriculture.

A greater consumption of many of the fruits and vegetables would improve health in the United States. An article on "Better Nutrition as a National Goal" in the Yearbook of Agriculture, 1939, states: "The consumption of at least \*\*\* 25 to 70 percent more tomatoes and citrus fruit, and about twice as much leafy, green, and yellow vegetables would be advantageous to the nutrition of our population."/1 The possibility of increasing consumption of fruits and vegetables through dealer service of course varies with locality, consumer income, competition of other consumer goods, and other factors.

#### Retail Outlets

According to the United States census of business in 1935 there were about 460,000 retail stores in the United States classed as grocery, fruit and vegetable, delicatessen and general with food (table 2). The census classified stores according to their principal type of business, so that in addition to those listed in table 2 there were undoubtedly others; for example, some department stores, restaurants, and miscellaneous outlets that retailed fruits and vegetables. Some of the stores listed as general stores with food may not handle fresh fruits and vegetables. As a rough estimate it can probably be considered that there are at least 500,000

/1 Stiebeling, Hazel F. Better Nutrition as a National Goal. U. S. Dept. Agr. Yearbook of Agriculture, "Food and Life", p. 381. 1939.



retail outlets for fruits and vegetables in the United States. This in general may be considered the principal field in which fruit and vegetable dealer service to retailers has for its operation.

Table 2.- Number of retail grocery, fruit and vegetable, and delicatessen stores and general stores with food, in the United States, 1935 <sup>/1</sup>

Kind of business	: Independent	: Chains	: Miscellaneous and unclassified	: Total
	: Number	: Number	: Number	: Number
Grocery store (without meats):	164,404	: 22,632	: 1,702	: 188,738
Combination stores (groceries and meats).....:	139,994	: 25,607	: 632	: 166,233
Fruit and vegetable markets...:	---	: ---	: 32,632	: 32,632
Delicatessen stores.....:	6,554	: ---	: ---	: 6,554
General stores (with food)....:	66,701	: ---	: ---	: 66,701
Total.....:	377,653	: 48,239	: 34,966	: 460,858

<sup>/1</sup> From census of Business Retail Distribution of 1935. Stores were classified according to principal type of business. In addition to stores listed, there are probably a considerable number of others, including some department stores, commissaries, restaurants, etc., that retail fresh fruits and vegetables.

Approximately 10 percent of the stores listed in table 2 were members of chains, but a survey of 38 cities in 1936 indicated that chains were handling 23 percent of the fruit and vegetable receipts. <sup>/2</sup> Super markets have increased greatly in importance as retail outlets in recent years.

#### DEALER SERVICE BY GROWER-SHIPPER ORGANIZATIONS AND STATE AGENCIES

Dealer service is comparatively new in fruit and vegetable marketing. A few large grower-shipper organizations started work of this nature more than 20 years ago but many of the organizations that conduct dealer service have entered the field within the last 5 years. Nearly all of the larger grower-shipper organizations are now conducting dealer-service work. Most of these grower-shipper organizations produce only a few kinds of fruits, which are identified by a brand or trade name. This is designed to assist in merchandising and facilitates placing sales effort on the particular product.

It has not been possible to ascertain the exact number of employees of grower-shipper organizations engaged in dealer-service activities during the 1939-40 marketing season. Some organizations employ dealer-service men only during that part of the year when their particular products are on the market. In some instances salesmen perform dealer-service work in addition to their regular duties. Ten grower-shipper organizations of national importance reported 142 dealer-service employees, or an average of 14 each in the 1939-40 marketing season, the last season for which information was available.

In general, the dealer-service men call on the large and medium-sized in-

<sup>/2</sup> Crow, William C. Wholesale Markets for Fruits and Vegetables in 40 Cities. U. S. Dept. Agr. Cir. 463. 140 pp. Illus., 1938. See p. 140.

dependent retail stores in the district in which they are working. Mostly they have not found it feasible to call on the smaller independent stores. Contacts are made with the headquarters of all chains, both corporate and voluntary, and arrangements made, when possible, for using display material or carrying on other dealer-service work. In some instances service work is performed in the individual chain store units.

The number of stores that a dealer-service representative can visit a day varies principally in accordance with the amount of actual work performed in arranging displays and in educational effort. Repeat calls are usually made at intervals of several weeks or longer. Reports from some of the larger grower-shipper organizations indicated that their dealer-service men visited from 160 to 200 stores a month. A few organizations reported a considerably larger number of calls per month per employee, including short calls where display material may have been left, but little educational or display work performed. In the opinion of an official of one large grower-shipper organization a dealer-service man could probably make 40 or 45 effective calls per week, at retail stores.

Information from a group of grower-shipper organizations, including most of the larger ones in the United States that reported budgets for sales-promotion work for 1939-40 of approximately \$3,000,000, indicates that about 25 percent of this amount was ear-marked for dealer service. The proportion to be spent for dealer service varied widely among the organizations.

Funds for financing dealer service and other sales-promotion programs by grower-shipper organizations and State agencies have usually been raised by an assessment on shipments generally ranging from 1 to 5 cents per package. States that were reported to have raised sale promotion or advertising funds by taxes on shipments of one or more kinds of fruits and vegetables in 1938-39, included Florida, Idaho, Washington, Maine, and California. Several other States had programs supported by private contributions and not all of these States conducted dealer-service work. /3

The effect of dealer service on the volume of sales through the retail outlets is difficult to measure satisfactorily. When a dealer-service representative concentrates on display and on promoting special sale of a commodity in one store or group of stores in a locality, it is mostly a relatively easy matter to show an increased volume of sales. There is always the question, however, of how much of this increase is a net addition to the sales of the commodity in the district and how much is business attracted from competitors. There is also the question of how much, if any, the quantity moving into consumption will decrease in the period immediately following a special sale in which dealer-service effort is employed. The question must also be considered as to whether or not increased sales of a commodity from a certain State were offset by smaller sales of the same commodity from other sources, or in smaller sale of similar or competing commodities.

When comparisons are made of the volume of sales for a city or district before and after dealer service has been conducted, changes in prices must be given consideration. Moreover, if it is shown that demand has increased, other factors may be contributing causes such as advertising, higher average quality of products, or increase in consumer purchasing power.

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It is evident from these considerations that definite conclusions as to the /3 As reported in Food Industries, August 1939, p. 448.



effectiveness of dealer service by grower-shipper organizations or State agencies is very difficult to evaluate, and information on which definite conclusions can be based is not available.

The following opinions from large grower-shipper organizations, however, are of interest: "Our dealer service is considered highly effective." "Demonstrations in retail stores have increased sales and the effect is not lost immediately. Sales outlet continues at a high rate." "Dealer service has increased sales and developed new markets in the South and increased the use for culinary purposes." "Through dealer service and advertising sales volume increased in 8 weeks 106 percent and price 9 percent." "We have found this dealer-service work tremendously effective."

#### DEALER SERVICE BY JOBBERS

Dealer service or merchandising assistance by jobbers or wholesalers to retailers is a fairly common practice in the region from Chicago west to the Rocky Mountains. In this region there are many jobbers, particularly in cities of medium size, whose salesmen call on the retailers and whose trucks deliver to the retailers regularly. Jobbers in this region frequently operate in areas of 50 to 100 miles radius. In the region east of Chicago the practice of delivering to retailers is less common and there is less dealer-service work by jobbers than in the region west of Chicago.

Approximately 50 jobbers, mostly in the region west of Chicago, who were conducting some type of dealer service or sales-promotion work in the 1939-40 season, furnished information in regard to the type of service they were giving retailers.

The types of dealer service furnished by jobbers was very similar to that furnished by grower-shipper organizations. The chief difference was that dealer service furnished by jobbers was usually designed to promote sales of all fresh fruits and vegetables since most jobbers handled a full line of these products. In contrast, dealer-service representatives of grower-shipper organizations were interested primarily in increasing sales of a limited number of products of their organizations. In the service performed by jobber representatives, display material and information relating to special products was often supplied by the grower-shipper organizations.

About two-thirds of the 50 jobbers from whom information was obtained were serving retailers through personal representatives who were visiting the retail stores periodically in performing dealer service. They were also furnishing the retailers periodically with publications on merchandising. Some of the dealer-service representatives of these jobbers were also functioning as salesmen.

About one-fourth of the jobbers reporting were supporting their dealer-service program with advertising in local newspapers and about one-third were using radio for local advertising. Approximately three-fourths of the jobbers reporting had begun dealer service in the 5 years preceding 1940. About one-third began in 1939. Dealer service by jobbers is relatively new and there is a great deal of interest in it at the present time.

Thirty jobbers reported that they had more than 200 employees doing some form of dealer-service work in 1939-40, including some who were spending part of their time as salesmen. The average number of visits per store per month was approximately

seven. The principal types of dealer service or sales promotion performed by the jobbers or their representatives in order of importance in the opinion of the jobbers were: assisting retailers to arrange attractive fruit and vegetable displays; point-of-sale handbill advertising; the mailing to retailers of weekly bulletins or publications on merchandising sponsored by a trade organization; educating the retailer in the care of produce, grade, variety, and cleanliness; radio advertising; local newspaper advertising; pricing and mark-up price cards.

Twenty-three jobbers in the area reported a total budget for sales promotion including dealer service of about \$120,000 or approximately \$5,200 each in the 1939-40 season. Of the total budget slightly more than 37 percent was spent for dealer service involving visits by representatives of jobbers to retail stores. Approximately 38 percent was spent for radio programs, 16 percent for advertising, and 9 percent for supplying circulars on merchandising. The 23 reporting their budgets include many of the larger jobbers in the smaller cities of the area west of Chicago, who are interested in dealer service. They are not representative of jobbers as a whole.

Of the 31 jobbers expressing an opinion on dealer-service work, about 80 percent thought it definitely worthwhile. A number thought it had increased their sales approximately 25 percent.

Closely related to dealer service by jobbers is sales-promotion work now being conducted by auction companies in some of the large markets. Circulars are mailed periodically by the auctions to retailers or other handlers of auction fruit to keep them informed of conditions in the industry. The circulars contain production estimates, information as to the predominating sizes of fruit, and suggested merchandising methods. The practice recently inaugurated by the auctions, indicates a realization of the importance of efforts to encourage movement through the retail channels. Some brokers and container manufacturers are also conducting various types of sales-promotion work.

#### DEALER SERVICE SPONSORED BY JOBBERS AND OTHER MEMBERS OF THE ST. LOUIS TRADE

##### Description of Project

Beginning in May 1938, 26 members of the St. Louis wholesale fruit and vegetable trade subscribed to a fund which was used to employ two dealer-service men experienced in fruit and vegetable retailing. By December 1938 there were 32 subscribers to the fund for the following year. The plan was to have these men contact and work with independent retailers and members of voluntary chains.

Since practically all kinds of fresh fruits and vegetables were handled by the group sponsoring the work, the object was to improve the fresh fruit and vegetable departments in the stores and to stimulate sales of all of these products rather than of any specific ones. The dealer-service sponsors cooperated with shippers and growers in distributing posters and display material for certain products. Retailers were not urged to buy from certain jobbers but the dealer-service men carried cards showing the names of the sponsors of the service.

Contacts were made with a large proportion of the independent retail stores and the voluntary chain units in metropolitan St. Louis. A newspaper advertising



list of grocery stores in the city was used by the dealer-service men in arranging a systematic canvass. Up to October 1939 approximately 1,900 stores had been visited and as a result about 700 remodeled or improved their fruit and vegetable departments. During the first 6 or 7 months an effort was made by the dealer-service representatives to establish connections with most of the independent retailers in the metropolitan area, but later attention was concentrated on stores where it was evident that good results could be obtained. Regular or follow-up calls were made.

The dealer-service men in St. Louis advised the retailers in detail as to how their fruit and vegetable departments could be improved. They often planned the remodeling of the displays and equipment and actually set up the displays for the retailers. An important part of the work has been the making of follow-up calls on retailers over a period of several weeks or months. These repeat calls have insured that retailers kept up their interest in fruits and vegetables and have enabled the dealer-service men to give suggestions and advice as the occasion required. Many requests were made by retailers for this service which, of course, was given free of charge and was generally well received and appreciated.

The following excerpts from a statement published in September 1939 by the secretary of the trade organizations of St. Louis that sponsored dealer service from May 1938 through November 1939, gives a good idea of the nature of the work by the trade in that city:

"Two men are employed in the project; all of their time is spent in working among the independent retailers in St. Louis to show them better methods of handling produce and how to increase sales volume, to decrease losses, to install displays, etc."

"Through our dealer service we were surprised to find many retailers indifferent to the handling of fruits and vegetables, and even preferring not to handle or push them because they had not proved to be profitable--this notwithstanding that fresh fruits and vegetables properly displayed and handled should be the most profitable department in the store. Failure to make a profit, of course, is largely due to lack of knowledge of how to handle, display, trim, and price fruits and vegetables and how to care for them over night. Sometimes retailers raise their prices unduly to offset their losses. Our dealer-service men show them how to overcome these waste and losses and to make more profit at a reasonable mark-up."

"Of course, our dealer-service men see that fruits and vegetables get the best and most prominent location a store has to offer; they use as many windows as possible. In all cases fruits and vegetables are brought out in the open, up on display units--not left in ice-boxes, or on the floor in boxes in which they were originally packed for shipping, or hidden away in inaccessible bins. Then too, grocers are shown how to keep fruit and vegetables displays clear of other merchandise, and how to carefully handle, properly trim and protect from heat or cold, and to protect overnight."

"Retailers are shown how to produce 'Eye Appeal' by using various types of display, such as ribbon type, and by proper color arrangements, mass displays, and dummy displays. They are urged particularly to use price tags freely and to present neat, full displays. The result is that these retailers never fail to increase the number of items purchased for this department."



"These busy, efficient dealer-service men are called upon to draw plans for suggested changes and for display racks or units of the various types and sizes suitable to different size stores. They are even asked to order the lumber and find carpenters for the retailers. Frequently they are called upon to find suitable, experienced men to be placed in charge of produce departments in the larger stores. They are supplied at all times with advertising material to be used in these stores."

"Repeat calls on retailers are now being made by dealer-service men with more or less regularity in order to keep up the interest in the fruit and vegetable department. These dealer-service men on their visits, of course, keep retailers informed about new products that are appearing on the market, and about items, in heavy or oversupply, that need to be specially pushed."

"Officials of voluntary chains of independent retail stores were quick to avail themselves of the services of these dealer-service men to bring about much needed changes in the stores of many of their members, because they were alive to the pulling power of an up-to-the-minute fruit and vegetable department in a retail store."

The dealer-service experiment in St. Louis was discontinued in November 1939 because of the lack of cooperation on the part of a number of jobbers who withdrew their support. The fact that a few of the sponsors of the service have continued a similar service for themselves indicates that at least some jobbers feel that this dealer-service work is of definite benefit in promoting sales.

#### Effectiveness of Dealer Service in St. Louis

In an effort to measure the effect of the work in St. Louis reports were obtained by the dealer-service representatives from a number of retailers as to the quantity of their weekly fruit and vegetable purchases before and after the dealer-service work started. In general, it was attempted to ascertain the average purchases for a 6-week period before and after the inauguration of the dealer-service work. In some instances, however, comparisons were not available on this exact basis. For 38 retailers the total average weekly purchases of fruits and vegetables before the dealer-service work started was reported as \$4,133, compared with average weekly purchases of \$5,857 after the service was undertaken (table 3). This indicates an increase of 42 percent in the value of the weekly purchases. For individual stores the increases ranged from 5 percent to 200 percent. Changes in quantity of sales were probably not in the same proportion as changes in value because of changes in price. It is believed, however, that there was an increase in volume of sales in these stores. It was not possible to ascertain just what part of this represented an increase of fruits and vegetables used in St. Louis. Some of the indicated increase in these specific stores may have been offset by smaller sales of nearby competitors.

Table 3.- Cost of fresh fruits and vegetables to 38 St. Louis retailers before and after dealer-service work started /1

Store designation	Average weekly purchases:				
	Before	After			
	dealer	dealer	Increase		
	service	service			
	Dollars	Dollars	Dollars	Percent	
1 . . . . .	27	41	14	52	
2 . . . . .	25	43	18	72	
3 . . . . .	254	271	17	7	
4 . . . . .	80	100	20	25	
5 . . . . .	32	75	13	21	
6 . . . . .	148	156	8	5	
7 . . . . .	29	40	11	38	
8 . . . . .	354	415	61	17	
9 . . . . .	67	88	21	31	
10 . . . . .	50	69	19	38	
11 . . . . .	197	289	92	47	
12 . . . . .	65	90	25	38	
13 . . . . .	30	65	35	117	
14 . . . . .	100	125	25	25	
15 . . . . .	63	83	20	32	
16 . . . . .	60	75	15	25	
17 . . . . .	30	50	20	67	
18 . . . . .	125	177	52	42	
19 . . . . .	178	225	47	26	
20 . . . . .	225	450	225	100	
21 . . . . .	25	40	15	60	
22 . . . . .	10	30	20	200	
23 . . . . .	170	225	55	32	
24 . . . . .	522	915	393	75	
25 . . . . .	30	45	15	50	
26 . . . . .	377	470	93	25	
27 . . . . .	40	63	23	58	
28 . . . . .	200	280	80	40	
29 . . . . .	35	125	40	47	
30 . . . . .	25	60	35	140	
31 . . . . .	30	45	15	50	
32 . . . . .	60	85	25	42	
33 . . . . .	30	45	15	50	
34 . . . . .	60	72	12	20	
35 . . . . .	40	60	20	50	
36 . . . . .	120	150	30	25	
37 . . . . .	30	60	30	100	
38 . . . . .	110	160	50	45	
Total . . . . .	4,133	5,357	1,724	42	
Average . . . . .	109	154	45	42	

/1 Mostly, though not always, the periods covered were averages for 6 weeks before and 6 weeks after the dealer service started in 1938 or 1939. The stores here shown represent only a small portion of the total in which dealer-service work was carried on in St. Louis.

In an effort to ascertain whether or not the total use of fresh fruits and vegetables in St. Louis increased during the period in which the dealer-service work sponsored by the jobbers was in operation, a tabulation of rail and estimated truck unloads at St. Louis was made by 6-month periods from May 1937 to October 1939. The dealer-service work began in May 1938. Truck receipt information for the period was only an estimate and there may have been a considerable error in it. There was some indicated increase in receipts from May to October 1938 compared with either of the two preceding 6-month periods as indicated in table 4. Receipts, however, decreased considerably during the next 6 months and increased again in the 6 months ended in October 1939. Farm prices of fruits and truck crops, however, were considerably lower in 1938 and 1939 than in 1937; besides the incomes of industrial workers increased somewhat from May-October 1938 to May-October 1939 (table 4). It is very difficult to reach a definite conclusion from these statistics as to the effect on consumption that can be ascribed to dealer-service activity. There appears to be no doubt, however, that sales were materially increased in specific stores in which dealer service was conducted.

Table 4.- Unloads of fresh fruits and vegetables at St. Louis before and after dealer-service work started in this city in May 1938

Period	: Rail and estimated : truck unloads, : monthly average	: Price index of : fruit and truck : crops /1	: Index of income : of industrial : workers /2
	: <u>Carlots</u>	:	:
May - Oct. 1937	: 1,967	: 126	: 97
Nov. 1937 - Apr. 1938	: 1,675	: 93	: 75
May - Oct. 1938	: 2,132	: 86	: 71
Nov. 1938 - Apr. 1939	: 1,798	: 91	: 78
May - Oct. 1939	: 2,214	: 94	: 82

/1 Bureau of Agricultural Economics index of prices received by farmers, Aug. 1909 - July 1914 = 100. Straight average of monthly fruit index and truck crop index figures.

/2 Bureau of Agricultural Economics index, 1924-29 = 100. Straight average of monthly figures.

In October 1939, 21 members of the St. Louis trade who had contributed to the dealer-service fund were asked for their opinions as to what the service had accomplished. Only two had noticed a definite increase in volume of sales that they attributed to dealer service. Fourteen were favorable to the work and thought that it was probably helping in the movement of fruits and vegetables through the retail channels but they could not see that it had caused a noticeable increase in their own sales. Five of those interviewed gave either an unfavorable opinion or had no opinion as to the merits of the dealer service.

#### Retail Pricing in St. Louis

The proper pricing of fruits and vegetables in retail stores is important in merchandising and has received considerable attention in the dealer-service work in



St. Louis and other places. It is frequently asserted that retail prices do not closely follow wholesale prices and for this reason when wholesale prices drop sharply the movement through retail channels is not increased proportionately because retail prices are not in line with the wholesale prices. The dealer-service men in St. Louis in many instances advised retailers as to proper pricing. As an example of the relation between purchase and sale prices in a St. Louis retail store, table 5 is presented. If this retail store can be considered representative the mark-up or gross profit varied considerably from week to week and averaged about 28 percent of the sale price after an allowance for waste and mark-down which in this case averaged 4.7 percent of the sale price.

Table 5.- Purchases, sales, waste, and profit on fruits and vegetables in a St. Louis retail store, by weeks, June 10 to August 19, 1939

Week ended:		Cost	Selling price	Waste and mark-down	Gross profit	
					Amount	Percent of sale price
		Dollars	Dollars	Dollars	Dollars	Percent
June 17, 1939		62.75	88.32	1.99	23.58	26.7
" 24 "		67.35	92.59	6.25	18.39	19.9
July 1 "		75.84	110.52	2.94	31.74	28.7
" 8 "		62.54	92.69	3.53	26.62	28.7
" 15 "		79.80	113.11	4.37	28.94	25.6
" 22 "		55.10	87.57	5.64	26.83	30.6
" 29 "		30.90	93.34	5.55	26.89	28.8
Aug. 5 "		50.85	75.95	4.67	20.48	26.9
" 12 "		53.80	83.69	4.60	25.29	30.2
" 19 "		50.85	79.01	3.23	24.93	31.6
Total		619.78	916.79	43.37	253.64	27.7

Waste and mark-down averaged 4.7 percent of the sale price.

Another St. Louis retailer, from whom records were obtained for a specific day as to the quantity and cost of each fruit and vegetable item handled and the sale price and amount of sale, averaged 36 percent of the sale price as gross profit. If an estimated 5 percent waste was allowed, however, the gross profit in terms of the sale price would be only 32 percent. For this particular store and day the indicated gross profit in percentage of the sale price ranged from 12 percent on celery to 64 percent on grapefruit (table 6).

Table 6.- Mark-up on fruits and vegetables in a St. Louis retail store, October 11, 1939

	Purchases		Retail sales $\frac{1}{2}$		Gross Profit		
Product	Quantity	Amount	Rate	Amount	Amount	Percent of purchase price $\frac{1}{2}$	Percent of sale price $\frac{1}{2}$
		Dols.		Dols.	Dols.	Percent	Percent
Sweetpotatoes.....	Bushel	.60	5 lbs.-10¢	1.00	.40	67	40
Snap beans.....	13 pounds	1.25	15¢ lb.	1.95	.70	56	36
Beets.....	6 bunches	.13	3 bchs.-10¢	.20	.07	54	35
Lettuce, Iceberg...	Doz. heads	.85	10¢ each	1.20	.35	41	29
Carrots.....	" bunches	.50	2 bchs.-10¢	.60	.10	20	17
Eggplant.....	4	.20	2 for 15¢	.30	.10	50	33
Celery.....	Doz. stalks	.35	3 " 10¢	.40	.05	14	12
Oyster plant.....	6 bunches	.23	5¢ per bunch	.30	.07	30	23
Spinach.....	10 pounds	.55	10¢ per pound	1.00	.45	82	45
Red Radishes.....	1 doz.	.22	2 bunches-5¢	.30	.08	36	27
Peas.....	15 pounds	1.80	15¢ per pound	2.25	.45	25	20
Cabbage.....	44 pounds	.77	4 lbs.-10¢	1.10	.33	43	30
Oranges, Calif. (288)	1 box	4.10	22¢ per doz.	5.28	1.18	29	22
Apples, Jonathan...	Bushel	1.15	7 lbs.-25¢	1.75	.60	52	34
" " " " " " " "	Box	1.75	4 lbs.-25¢	2.75	1.00	57	36
" " " " " " " "	Box	1.40	5¢ per lb.	2.20	.80	57	36
Pumpkins.....	3 (about 40#)	.40	1½¢ per lb.	.60	.20	50	33
Honey Dews.....	12	1.25	15¢ each	1.80	.55	44	31
Bananas.....	20 pounds	1.05	3 lbs. 20¢	1.34	.29	28	22
Grapes (Thompson)...	28 "	1.75	10¢ per lb.	2.80	1.05	60	38
" (Tokay).....	28 "	1.30	2 lbs.-15¢	2.10	.80	62	38
Tomatoes.....	30 "	1.85	10¢ per pound	3.00	1.15	62	38
Grapefruit (80)....	Box	3.40	2 for 15¢	6.00	2.60	76	43
" (64).....	"	1.75	2 " 15¢	4.80	3.05	174	64
Pears (180).....	"	3.10	2 " 5¢	4.50	1.40	45	31
Turnips.....	6 bunches	.15	3 bunches 10¢	.20	.05	33	25
Potatoes, Cobblers..	100 lbs.	1.65	10 pounds-23¢	2.30	.65	39	28
27 items		33.50		52.02	18.52	55	36

$\frac{1}{2}$  These are prices as marked and do not take into consideration waste and mark-down. If an estimated 5 percent is deducted from the amount of retail sales for waste and mark-down, the gross profit would be 48 percent of the purchase price and 32 percent of the sale price. The amount of waste would vary among the commodities.

#### Daily Routine of St. Louis Dealer-service Representatives

An idea of the daily procedure of dealer-service representatives may be gained from the following excerpts from daily reports of the St. Louis dealer-service men to the members of the trade who sponsored the service. The stores were classified in accordance with the number of kinds of fruits and vegetables being sold. Class A indicated 25 or more items; Class B, 17 - 24; Class C, 9 - 16; Class D, less than 9.

"St. Louis, Mo., April 29, 1939-Retailer---(Class B): Uses window for all



fruit and produce. Display is on flat surface of window bed. Suggested a display and selling unit for window which met with his approval. Plans and specifications given. Also suggested use of island displays of which he will have two built. Appointment made for Friday, May 12, 1939, to arrange displays."

"St. Louis, Mo., May 13, 1939-Retailer---(Class A): Spent 1½ days at this store effecting a complete remodeling of the produce department. Eliminated a metal rack from center of store and used 20 feet of display surface against wall. Opened the produce department so that a customer can see it from any part of store. Another grocer, after seeing this display, wants dealer-service assistance in remodeling his produce department. Appointment made for May 17, 1939, P.M."

"St. Louis, Mo., May 13, 1939-Retailer---(Class C): Green goods displayed on flat table which has been divided into bins. Very poor display. Fruit displayed in original cases on floor. Merchandise of good quality and in good condition due to his display of small amounts of each item. Suggested installation of special display rack which met with his approval. Suggestions on care and other information appreciated. Appointment made to arrange displays on new rack for week end of May 20, 1939."

"St. Louis, Mo., April 22, 1939-Retailer---(Class A): Installed special display rack sometime ago. Volume sold at that time approximated \$35.00 per week; at present about \$85.00 per week. Has new clerk. Asked for coaching of new clerk which was done. Rearranged display to give better color effect. Appointment made to go over entire department with clerk."

"St. Louis, Mo., August 28 to September 2, 1939-Retailer---(Class B): Carpenter building entire new rack (12-foot wall rack) that I designed. Spent Monday forenoon advising carpenter and building a large island display around post in center of store (25 sq. feet of display), using empty orange cases. Then put up, with owner's help, large banners and other advertising material. Also visited this store Tuesday forenoon to see that initial display was put up effectively and helped with it. Also changed window display slightly to give better effect. Along with these three displays we are using a large outside display of special items at special prices. Checked this store again Wednesday and Friday."

"St. Louis, Mo., September 30 and October 7, 1939-Retailer---(Class C): To start the 2 weeks in this store I eliminated large island grocery display and built an island display of fruit (20 sq. ft.) in addition to the owner's vegetable rack and window display. Started him to handle four varieties of apples, three of oranges, all deciduous fruits available, and 10 or 12 vegetable items heretofore not carried in his department. In my daily calls I revamped the display, kept free use of price cards in operation and most important, worked with his clerk, showing him how to display, trim, and care for the different commodities; finally I got the whole store personnel together and impressed upon them the importance of intelligent selling. As a help in this direction, I left informative literature with them. The owner's sales for these 2 weeks averaged \$72.00 compared with the former average of \$60.00--a \$12.00 or 20 percent weekly increase."

"St. Louis, Mo., September 8 to September 23, 1939-Retailer---(Class C): Produce was kept in poor shape and in wrong place in store. Sold owner idea of improving and expanding produce display. Secured carpenter; helped him start rack and instructed him until rack was completed. Installed rack and put up display. I will call at this store daily for 2 weeks to get the owner properly started. Also will

change bulkhead to proper window to tie in with display rack. He has added 10 to 12 additional items to his display and his purchases have been increased."

"St. Louis, Mo., September 30 and October 7, 1939-Retailer---(Class A): Made major changes in this store some weeks ago. The change was completed at the beginning of the home-grown season when prices were on decline, and the owner attributes the figure (\$20.00) to this cause, believing he will benefit from the improvements in the fall when prices rise and shipped merchandise is on the market."

"St. Louis, Mo., September 30 and October 7, 1939-Retailer---(Class C): Has electric case for vegetables where he keeps fruit also. He is not selling near the quantity of fruit that he could if he displayed it in the open. I showed him how to display and gave him many merchandising ideas. The man does not know how to mark-up produce and does not know how to figure percentages. I helped him with this and showed him how to mark-up produce items for various percentages. Made date to get produce department set up in proper way and put up displays."

"St. Louis, Mo., September 30 and October 7, 1939-Retailer---(Class B): Owner has remodeled to accommodate more merchandise. I called to put up advertising, to tie in with produce displays; I also put up large banners on wall. This store has shown repeated gains in produce sales and the owner is interested in keeping displays in order."

#### SALES PROMOTION BY CHAIN STORES

Chain store organizations generally are performing sales promotion work for fresh fruits and vegetables corresponding to the dealer service of grower-shipper organizations and jobbers, according to reports from representative corporate chains obtained through the cooperation of the National Association of Food Chains. They are also cooperating with growers and shippers in placing point-of-sale display and educational material in their stores and in carrying on selling campaigns. There has been a growing interest and expansion in this type of activity by the chain stores in recent years.

Methods used in promoting sales vary among the chain organizations. Under a common procedure, a headquarters produce department has charge of the sales promotion work. This department works through the division superintendents and also direct with the individual stores.

Sales-promotion activity reported by chains include the following: preparing posters and display material for the stores; approving, ordering, and placing posters and display material furnished by grower-shipper organizations and State agencies; preparing and sending weekly or periodical letters to the store managers to educate them in merchandising and care of produce, and to keep them informed on the current situation in fruit and vegetable marketing; arranging meetings and lectures, and preparing and showing films to educate the store managers in merchandising methods; preparing sale advertisements for local papers and local radio programs; sending a representative of the headquarters produce department or a district superintendent to individual stores to arrange displays and give instructions in caring for produce and to illustrate methods of reducing spoilage; preparing articles and educating store salesmen with regard to vitamin content of fresh fruits and vegetables and in different ways of serving them in order to enable the salesmen to discuss produce



more intelligently with customers.

As a means of stimulating retail sales of products which are in temporary surplus a plan reported to be working out satisfactorily by one chain organization is of interest: the daily or tri-weekly order form used by each store in the organization, lists each fruit and vegetable and provides a space for entering the quantity needed on the next delivery and also for an inventory of the quantity of each product on hand. The headquarters department then increases the quantity order on certain items, particularly of local produce for which receipts are exceptionally heavy and prices low. The larger quantities sent to the stores in accordance with the experience and judgment of the headquarters produce department will usually move through retail channels. In this way the chain organization assists in removing price-depressing surpluses and increases its own volume of sales.

It has generally been found desirable by chains to make one person in each store responsible for looking after the produce department. In some instances, the employee next in authority to the store manager is placed in charge. If responsibility is delegated to one person the produce display can be kept more attractive in appearance and loss from spoilage can be held at a minimum. Salesmanship is also improved.

Reports from chain organizations generally indicate a willingness to cooperate in national, State, and local programs to move surpluses of fruits and vegetables through retail channels.

According to reports from a number of chain store firms sales promotion corresponding to dealer service has given very satisfactory results in stimulating fruit and vegetable sales. The effectiveness is indicated by the following excerpts from letters written by chain store executives:

"Since 1930 dollar business in our produce department almost doubled. This is due to better merchandising policy, to better sales promotion and dealer service. Where the year before we used about 1,500 bushels of \*\*\* State peaches, during the very short peach season last year we used nearly 10,000 bushels."

"We started this intensive campaign about 2 years ago when we discovered that two or three of our stores, which were devoting all of their window space to fruits and vegetables, were increasing their sales of these commodities so that they ran from 30 to 37½ percent of their total sales. Since that time our efforts have been devoted to selling this display idea to our employees by actually putting in a few good window displays and showing them what could be done."

"In the lay-out of our new stores there is no other department getting more attention and thought than the produce department. As an example of the result of this, recently we closed a small service combination store in one section of the city and less than 100 feet away opened up a large market. The produce sales of this large market exceeded the total sales of the smaller combination service store. We believe the improvement was not due to the fact that we opened up a larger store but to the thought given to and money spent in equipping and laying out the produce department in that store."

"Work such as has been done among our store personnel has proved very beneficial particularly during the past 5 years when the greatest effort along this line

was expended. Spoilage has been reduced approximately 3 to 5 percent, sales have increased approximately 30 to 35 percent, distribution costs have been reduced to about 2 percent, and the variety of produce offered has been greatly increased. Fresher merchandise of all kinds has resulted."

"We have prepared a number of both motion picture and slide film presentations for showing at personnel meetings on the subject of produce. These presentations cover the problems of handling produce in the store, and of displaying it and knowing to the end of improving our produce service to our customers. Improving service, of course, has the very direct result of increasing sales."

"The dealer-service work and promotional activity have proved extremely effective in increasing fresh fruit and vegetable sales, in reducing decay and spoilage, and in improving service to customers and it has greatly aided tonnage movement on practically all fresh fruit and vegetable commodities."

Only a limited amount of information was available as to expenditures of chain store organizations on sales promotion or dealer-service work. As indicating time and money expenditures the following information from chain store reports may be of interest. One organization reported that they have two produce men who spend all their time either opening new produce departments in new markets or building up markets already in operation. They also estimated that their district grocery managers spent about 20 percent of their time supervising produce operations in their stores. Another organization reported that approximately 20 to 25 percent of their total sales promotion expenditures applied to fresh fruits and vegetables and that an estimated 5 percent can be considered as used for dealer-service work. Another stated that from approximately 10 to 15 percent of their total sales promotion expenditures applied to fresh fruits and vegetables. Another indicated that approximately 10 percent of their total sales promotional expenditures was on fresh fruits and vegetables and that about 6 percent could be considered as spent for fruit and vegetable dealer-service work.

#### WHO SHOULD CONDUCT DEALER SERVICE?

There has been considerable discussion as to whether dealer service supported and managed by individual grower-shipper organizations in the aggregate can accomplish as much in increasing total fruit and vegetable sales as a service supported by the fresh fruit and vegetable industry as a whole.

In order to get first-hand opinions from growers and shippers who now conduct dealer service, they were asked whether or not they thought that dealer service supported by the fresh fruit and vegetable industry as a whole would be as effective as the combined efforts of individual groups, each promoting sale of his own products.

The majority who answered this question thought that dealer service by individual groups or organizations would be more effective because they can concentrate on products which are identified by brand. It was pointed out by the grower-shipper organizations that the fact that fruits and vegetables are produced throughout the entire United States and by a great number of individual growers, and that these products compete by producing areas and by commodities makes it very difficult to obtain cooperation throughout the industry for a general dealer-service program.



Reasons given by grower-shipper organizations that favor dealer service supported by specific groups rather than by the industry as a whole, included the following:

"Dealer-service men working for certain groups of growers can be far more specific in their contacts than if they were working for the entire fruit and vegetable industry; the display material that they distribute is specific and consequently more effective. Perhaps the best solution would be for the jobbers themselves to build up local dealer-service organizations and pay the salaries and finance the work with the retailers. To be most effective the dealer-service men would have to spend part of their time on certain specific products and the jobbers might charge back to certain grower organizations the cost of some of this work. Grower and shipper organizations would furnish display-and point-of-sale advertising material."

"Dealer service supported by the entire producing industry would have a minimum of possible benefit because of dispersion of effort over too many lines. Management and supervision difficulties would be too great a projection of producing industries into the field of retail selling and would lack all of the elements of competitive urge and spirit."

"The leading groups of growers and shippers are in a position to direct their efforts specifically to their own products, whereas, promotion work (by growers) on all fruits and vegetables would suffer the disadvantage of being general. A great many jobbers have in recent years inaugurated dealer-service programs of their own, servicing all of the commodities that they handle. We are strongly in favor of this development and are doing all we can to foster it."

Grower-shipper groups that favor dealer service supported by the fresh fruit and vegetable industry as a whole, gave the following reasons:

"The dealer-service men would be relieved of competitive activity and would be able to do a more basic educational job with the retail trade. Such an activity should be a continuous year-round effort and therefore permit of a permanent organization rather than one that would have to be built up anew each season as in the case of service applying to a single crop. Furthermore, there would be an opportunity for more intensive and sustained effort with individual retailers. Ideally, it would seem that all factors concerned should contribute to the activity - growers, shippers and jobbers."

"I am strongly of the opinion that a dealer-service organization, national in scope and far more broad in character and training than is permitted by the funds available to any one organization, would be far more productive to all using such a service."

One plan which found a number of advocates was that the jobbers in a city market should organize to promote dealer-service work in arranging fruit and vegetable displays and that growers and shippers should furnish these organizations with display material advertising their own products and should also furnish educational material or other information relating to specific products.

The feasibility of dealer service and other sales-promotion work by jobbers and others interested in the wholesale trade on a cooperative basis is currently being



considered by trade associations.

Jobbers who furnished information in this survey were asked the following question: "Do you think that dealer service promoting the sale of all fresh fruits and vegetables and sponsored by a group of jobbers in a city would be as effective in increasing total fruit and vegetable sales in the city or district as the combined efforts of individual jobbers each conducting a dealer service on all products which he handles?"

There was a sharp division of opinion. Slightly more than half of the jobbers who replied to the question thought that group-supported dealer service would be more effective. The remainder thought dealer service by individuals would be best but some thought the cost of individual service would be prohibitive. Most of those reporting stressed the difficulty of getting cooperation among jobbers. About half of the jobbers reported that under certain conditions a government-sponsored dealer-service program might be desirable.

#### AIDS IN DEALER SERVICE WORK

In an effective dealer-service program it is essential to have capable and energetic representatives who are thoroughly familiar with fruits and vegetables and experienced in retail merchandising. They should know varieties and grades and methods of displaying and caring for the products in the stores.

Dealer service is comparatively new in fruit and vegetable marketing and there is need for development of material to be used in work with retailers.

Some of those who operate dealer service have prepared charts showing methods of caring for each of the leading fruits and vegetables in the stores in order to decrease waste and to keep the stock fresh and attractive. It is the opinion of leaders in the industry, however, that there is need for further research in regard to proper methods of handling produce in the stores looking toward making available authentic information additional to that now available. Charts showing this information could be distributed to all interested retailers. Information should be available as to the best types of display for each produce. Some organizations have experienced better results with bulk displays of fruits and vegetables which give the impression that selling is in progress, rather than with fancy displays which may give the impression that they are for appearance rather than for sale.

Detailed plans for building display stands or racks should be furnished to all dealer-service men to give to interested retailers or to use in helping the retailers remodel their stores. A number of plans for general store arrangement should also be available through the dealer-service men.

The use of circulars published periodically to give suggestions on merchandising and to supply current information on the situation in the fruit and vegetable industry is being developed as a means of reaching a large number of retailers. Circulars of this kind sponsored by a trade association are now available. Some of the chain stores are issuing and distributing merchandising circulars.

Pricing is an important part of fruit and vegetable retailing, and many retailers have some difficulty and use much time in setting the retail sale prices on a large number of fruit and vegetable items. Some of the large wholesaling organizations have issued charts or cards showing proposed sales prices for their products

that will return certain percentages of profit at each cost price in a usual range. Most of these available pricing cards are for fruits for which containers, packs, and sizes are well standardized. Considerable use could be made by many retailers of a pricing chart for various vegetables which are usually bought by the bushel and sold by the pound. One type of pricing chart of this kind is shown in table 7. This type of chart could, of course, be constructed to show for each cost the retail sale price of quantities usually bought by customers to return various percentage profits.

Attractive price tags are an important merchandising aid and should be a part of the equipment of dealer-service men.

Point-of-sale advertising or display material, varying in accordance with the products handled by the sponsors, is an important part of dealer service, and is deserving of study to determine the types which are proving most effective.

Dealer-service representatives have found it advisable to classify stores in their territories approximately in accordance with their volume of sales. In some instances it has been found necessary or advisable to restrict dealer-service efforts to medium-or larger-size stores, at least until these have been thoroughly canvassed.

The preparation and use of educational film is found to be of great advantage by some concerns in their dealer-service work. Night schools for educating retailers in merchandising are also being tried.

#### SUMMARY

The term "dealer service" as used in the fresh fruit and vegetable industry generally refers to merchandising assistance given free of charge to purchasers by carlot shippers, jobbers, and others usually at point of retail sale. The object is to stimulate sales through the retail outlets. Leading types of dealer service include assisting and advising the retailers in regard to displays, care of products, pricing, varieties, and in grades and merchandising methods. Point of sale display material is furnished.

The purpose of this survey was to ascertain the present status of dealer service and not to study or analyze advertising.

The present widespread interest in dealer service results partly, at least, from the fact that per capita production of fruits and vegetables has increased considerably over a period of years and there have been frequent problems of market surpluses.

Most of the large grower-shipper organizations and some State agencies representing growers are conducting dealer service. Reports from a number of these nationally known concerns indicated that on the average about one-fourth of their sales promotion budgets is being spent for dealer service.

Food chains are conducting a service designed to stimulate sales through their stores.

Jobbers in the city markets have in recent years conducted some dealer-service work. This has been done both cooperatively by groups of jobbers and by individual



Table 7.- Costs per pound at indicated costs per bushel for specified fruits and vegetables /1

Approximate costs per pound at indicated costs per bushel															
Cost per bushel:	Apples:	Beans:	Beets:	Carrots:	with-:	Cucum-:	Onions:	Pars-:	Peach-:	Pears:	un-:	Pep-:	Pota-:	Spin-:	Tur-:
	snaps:	out:	tops:	out:	tops:	bers:	es:	nips:	es:	shell-:	pers:	toes:	toes:	ach:	toes:
Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
50:	1.0:	1.7:	1.0:	1.0:	1.0:	1.0:	0.9:	1.0:	1.0:	1.0:	1.7:	2.0:	0.8:	2.8:	0.9:
60:	1.2:	2.0:	1.2:	1.2:	1.1:	1.2:	1.1:	1.2:	1.2:	1.2:	2.0:	2.4:	1.0:	3.3:	1.1:
70:	1.5:	2.3:	1.3:	1.4:	1.2:	1.5:	1.2:	1.4:	1.5:	1.4:	2.3:	2.8:	1.2:	3.9:	1.3:
80:	1.7:	2.7:	1.5:	1.6:	1.4:	1.7:	1.4:	1.6:	1.7:	1.6:	2.7:	3.2:	1.3:	4.4:	1.5:
90:	1.9:	3.0:	1.7:	1.8:	1.6:	1.9:	1.6:	1.8:	1.9:	1.8:	3.0:	3.6:	1.5:	5.0:	1.6:
100:	2.1:	3.3:	1.9:	2.0:	1.8:	2.1:	1.8:	2.0:	2.1:	2.0:	3.3:	4.0:	1.7:	5.6:	1.8:
110:	2.3:	3.7:	2.1:	2.2:	2.3:	2.3:	1.9:	2.2:	2.3:	2.2:	3.7:	4.4:	1.8:	6.1:	2.0:
120:	2.5:	4.0:	2.3:	2.4:	2.5:	2.5:	2.1:	2.4:	2.5:	2.4:	4.0:	4.8:	2.0:	6.7:	2.2:
130:	2.7:	4.3:	2.5:	2.6:	2.7:	2.7:	2.3:	2.6:	2.7:	2.6:	4.3:	5.2:	2.2:	7.2:	2.4:
140:	2.9:	4.7:	2.7:	2.8:	2.9:	2.9:	2.5:	2.8:	2.9:	2.8:	4.7:	5.6:	2.3:	7.8:	2.5:
150:	3.1:	5.0:	2.9:	3.0:	3.1:	3.1:	2.6:	3.0:	3.1:	3.0:	5.0:	6.0:	2.5:	8.3:	2.7:
160:	3.3:	5.3:	3.1:	3.2:	3.3:	3.3:	2.8:	3.2:	3.3:	3.2:	5.3:	6.4:	2.7:	8.9:	2.9:
170:	3.5:	5.7:	3.3:	3.4:	3.5:	3.5:	3.0:	3.4:	3.5:	3.4:	5.7:	6.8:	2.8:	9.4:	3.1:
180:	3.8:	6.0:	3.5:	3.6:	3.8:	3.8:	3.2:	3.6:	3.8:	3.6:	6.0:	7.2:	3.0:	10.0:	3.3:
190:	4.0:	6.3:	3.7:	3.8:	4.0:	4.0:	3.3:	3.8:	4.0:	3.8:	6.3:	7.6:	3.2:	10.6:	3.5:
200:	4.2:	6.7:	3.8:	4.0:	4.2:	4.2:	3.5:	4.0:	4.2:	4.0:	6.7:	8.0:	3.3:	11.1:	3.6:
210:	4.4:	7.0:	4.0:	4.2:	4.4:	4.4:	3.7:	4.2:	4.4:	4.2:	7.0:	8.4:	3.5:	11.7:	3.8:
220:	4.6:	7.3:	4.2:	4.4:	4.6:	4.6:	3.9:	4.4:	4.6:	4.4:	7.3:	8.8:	3.7:	12.2:	4.0:
230:	4.8:	7.7:	4.4:	4.6:	4.8:	4.8:	4.0:	4.6:	4.8:	4.6:	7.7:	9.2:	3.8:	12.8:	4.2:
240:	5.0:	8.0:	4.6:	4.8:	5.0:	5.0:	4.2:	4.8:	5.0:	4.8:	8.0:	9.6:	4.0:	13.3:	4.4:
250:	5.2:	8.3:	4.8:	5.0:	5.2:	5.2:	4.4:	5.0:	5.2:	5.0:	8.3:	10.0:	4.2:	13.9:	4.5:
260:	5.4:	8.7:	5.0:	5.2:	5.4:	5.4:	4.6:	5.2:	5.4:	5.2:	8.7:	10.4:	4.3:	14.4:	4.7:
270:	5.6:	9.0:	5.2:	5.4:	5.6:	5.6:	4.7:	5.4:	5.6:	5.4:	9.0:	10.8:	4.5:	15.0:	4.9:
280:	5.8:	9.3:	5.4:	5.6:	5.8:	5.8:	4.9:	5.6:	5.8:	5.6:	9.3:	11.2:	4.7:	15.6:	5.1:
290:	6.0:	9.7:	5.6:	5.8:	6.0:	6.0:	5.1:	5.8:	6.0:	5.8:	9.7:	11.6:	4.8:	16.1:	5.3:

/1 The weight per bushel varies with variety, size, and other factors. Variations from the costs per pound indicated in the table will therefore occur. The following approximate weights per bushel were used in computing these costs per pound: apples 48, snap beans 30, beets 52, carrots 50, cucumbers 48, onions 57, parsnips 50, peaches 48, pears 50, peppers 25, potatoes 60, spinach 18, sweet potatoes 55, turnips 54.

jobbers.

Dealer service by jobbers usually has as its object the increase in retail sales of all fruits and vegetables; whereas service by groups of growers or shippers is mostly designed primarily to stimulate sales of the particular kind of product marketed by the sponsoring group, which product is usually identified by brand.

Dealer service was conducted cooperatively by a group of St. Louis jobbers from May 1938 to November 1939.

It is difficult to measure definitely the effectiveness of dealer service in increasing sales in a community or city. It has been clearly shown that in specific stores sales have been increased through dealer-service efforts. Opinions of dealer-service sponsors are generally that it is accomplishing worth-while results.

There has been considerable discussion as to whether it would be advisable to have dealer service supported by the fresh fruit and vegetable producing industry as a whole; or whether the combined efforts of individual groups of growers would be more effective. The same question applies to a service supported by individual jobbers in a district as compared with a service supported cooperatively by jobbers. There is a sharp division of opinion on this question among sponsors of dealer service.

Principal reasons for advocating dealer service supported by all producers and shippers were that duplication of effort would be decreased; regular employment of experienced personnel would be facilitated; that it is impractical to do dealer-service work on one or two commodities in a store if the others are neglected and unattractive.

Principal reasons for advocating dealer service supported by individual groups or individual jobbers were that sales effort on specific products identified by brand or otherwise is much more efficient than on products not identified; problems of management and operation of a service applying to all fruits and vegetables would be very difficult; that there would be great difficulty of obtaining continued cooperation among large numbers of producers and handlers of products which are often competitive.

There is need for further research and study in preparing and making available effective aids to be used in dealer-service work. For example, further work should be done in ascertaining and making available information on the best methods of handling each kind of fruit and vegetable in the retail stores to reduce waste and to keep the product fresh and attractive. There is need for information in a convenient form on pricing, particularly on vegetables which are often bought by volume and sold by weight. Detailed plans on construction of produce racks and store arrangement would be useful. Carefully prepared material to be used in educating retailers in regard to fruit and vegetable crops and merchandising methods would be useful in conducting an efficient dealer service.

